

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE (OTR)



OTR NOTICE 2005-02

May 17, 2005

**NOTICE REGARDING ELECTRONIC FILING REQUIREMENTS
FOR PROFESSIONAL BASEBALL
BALLPARK FEE**

**Requirement to File the Annual Ballpark Fee and
To Make Payments Electronically
Based on District Gross Receipts**

For each District fiscal year beginning October 1, 2004 through October 1, 2038, the Ballpark Omnibus Financing and Revenue Act of 2004 (“Act”) levies a Ballpark Fee on certain persons that is due and owing annually on June 15th of each year. The amount of the fee is measured by a person’s annual District gross receipts for the most recent taxable year ending before June 15th.

The persons subject to the Ballpark Fee (“feepayers”) are persons that have income of \$5,000,000 or more in annual District gross receipts and either are subject to filing franchise tax returns (whether Corporate or Unincorporated) or are employers required to make unemployment insurance contributions. Exempt from this fee requirement are nonprofit organizations that qualify as exempt organizations for District franchise tax purposes, unless the organization has \$5,000,000 or more in annual District gross receipts from conducting unrelated business activity.

The Office of Tax and Revenue (“OTR”) has authority to issue regulations necessary and appropriate to carry out the tax provisions of the legislation, including an electronic filing and payment requirement.

The purpose of this notice is to announce that OTR will require feepayers that have annual District gross receipts of \$5,000,000 or more during the preceding tax year (whether fiscal or calendar), to file a Ballpark Fee return electronically and pay electronically the applicable Ballpark Fee in accordance with instructions contained in this notice and any later notices published on OTR’s website. See D.C. Official Code § 47-2762. Therefore, for any feepayer with District gross receipts as described above, the regulations will require that the feepayer file and pay the first Ballpark Fee electronically by **June 15, 2005**. This requirement applies to any feepayer, whether located in the District or outside the District, with District gross receipts of \$5,000,000 or more annually.

The amount of the ballpark fee shall be computed according to the following schedule:

- (1) Each feepayer with annual District gross receipts of \$5,000,000 to \$8,000,000 shall pay \$5,500;
- (2) Each feepayer with annual District gross receipts of \$8,000,001 to \$12,000,000 shall pay \$10,800;
- (3) Each feepayer with annual District gross receipts of \$12,000,001 to \$16,000,000 shall pay \$14,000; and
- (4) Each feepayer with annual District gross receipts of greater than \$16,000,001 shall pay \$16,500.

OTR will provide additional substantive guidance on the calculation of the Ballpark Fee in the near future, including a worksheet to be posted on our website shortly.

In order to file and pay electronically, a feepayer must first 1) have a valid Federal Tax Identification Number, and 2) have filed a completely executed FR-500, Combined Business Tax Registration Form. A feepayer can download this form in PDF format from OTR's Taxpayer Service Center at <http://www.cfo.dc.gov/otr>. The feepayer must submit this completed form to OTR's Customer Service Administration, 941 North Capitol Street, N.E., Washington, D.C. 20002. Please note, when submitting the FR-500, please write on the top of the form in large red block letters, "Ballpark Fee." Duly-registered feepayers are required to file and pay the Ballpark Fee by either ACH Credit or ACH Debit. **Note: If you have previously executed the FR-500, you do not need to file this form a second time.**

Failure to file and pay electronically will subject the feepayer to the appropriate penalties established under Title 47 of the D.C. Official Code for the collection of taxes.

Electronic Filing and Payment Instructions

1. The feepayer will log into the Ballpark Fee filing and payment site using their FEIN. This site can be accessed through www.taxpayerservicecenter.com.
2. Follow the online filing process. Simply enter your Ballpark Fee data on the appropriate lines, and eTSC will perform the calculations.
3. Once you have completed your return, you will receive a confirmation number. Please keep this number for your records.
4. You will see payment options at the bottom of the confirmation screen. Click "Pay on-line to pay by ACH Debit," or "ACH Credit" to make a payment through your bank.
5. If you choose Pay on-line, follow the steps to authorize the debit. You will receive a separate confirmation number for your payment.
6. To make an **ACH Credit** payment, the feepayer must first file an electronic return on the eTSC web site, and then select the ACH Credit payment option. The feepayer must transmit ACH Credit payments in accordance with specifications contained in the "ACH Credit Guide" posted at <https://www.taxpayerservicecenter.com/GetStarted.jsp>

eTSC Login and Payment instructions

Feepayers also have the option of registering for the Electronic Taxpayer Service Center (eTSC). The eTSC allows feepayers 24-hour access to the eTSC Web site to view all of their accounts, file annual Ballpark Fee returns, and make online **ACH Debit** payments. Feepayers may download a copy of the eTSC registration form posted at <https://www.taxpayerservicecenter.com/GetStarted.jsp>

1. After OTR completes the eTSC registration, OTR will send a *User ID* and *Password* via e-mail to each authorized user. Once you have received your User ID and Password and have logged in, you will see an account summary page. To file your Ballpark Fee return, click on “File Ballpark Fee” in the eTSC services window on the left-hand side of the page. To view your account summary, click on the gray “Ballpark Fee” tab in the Account Summary window.
2. Follow the online filing process. Simply enter your Ballpark Fee data on the appropriate line, and eTSC will perform the calculations.
3. Once you have completed your return, you will receive a confirmation number. Please keep this number for your records.
4. You will see payment options at the bottom of the confirmation screen. Click “Pay on-line to pay by ACH Debit,” or “ACH Credit” to make a payment through your bank.
5. If you choose Pay on-line, follow the steps to authorize the debit. You will receive a separate confirmation number for your payment.
6. To make an **ACH Credit** payment, the feepayer must transmit ACH Credit payments in accordance with specifications contained in the “ACH Credit Guide” posted at <https://www.taxpayerservicecenter.com/GetStarted.jsp>

If you have questions regarding this filing requirement or electronic access, please contact William Bowie, Assistant General Counsel, at (202) 442-6512. If you have questions regarding the Ballpark Fee, please contact Michael Cooper, Associate General Counsel, at 202-442-6510, or David Tseng, Deputy Associate General Counsel, at 202-442-6508.